

MAY 18, 1981

THE DIRECTOR OF THE DIVISION OF STATE LANDS TOOK FORMAL ACTION ON MAY 18, 1981 AT 10:00 A.M., IN THE STATE LAND OFFICE, ROOM 411, EMPIRE BUILDING, 231 EAST 400 SOUTH, SALT LAKE CITY, UTAH 84111, ON THE BELOW LISTED RIGHTS OF WAY, ASSIGNMENTS, APPLICATIONS AND OTHER MATTERS AS INDICATED.

MINERAL LEASE APPLICATIONS

OIL, GAS AND HYDROCARBON LEASE APPLICATION REJECTED

Upon recommendation of Mr. Blake, the Director rejected the Oil, Gas and Hydrocarbon Lease application listed below and ordered the advance rental refunded to the applicant,. The filing fee forfeited to the State.

Min. Lease Appl. No. 39208
Thomas Boyd
P. O. Box 3144
Casper, WY 82602

T20S, R7W, SLM
Section 3: Lot 4

Millard
45.51 acres

REJECTED: Conflict with SLA 529
REFUND: \$46.00

METALLIFEROUS MINERALS LEASE APPLICATIONS - REJECTED

Upon recommendation of Mr. Blake, the Director rejected the Metalliferous Minerals Lease application listed below and ordered the advance rental refunded to the applicant. The filing fee forfeited to the State.

Min. Lease Appl. No. 39165
Delores Bench General
Partner, Inc.
c/o Minerals Recovery Corp.
575 Union Blvd. #304
Lakewood, CO 80228

T36S, R23E, SLM
Section 36: A11

San Juan
640.00 acres

REJECTED: Conflict with ML 39138 Met. Minerals
REFUND: \$640.00

CORRECTION OF DIRECTOR'S MINUTES, JULY 14, 1980 - ML 38419

The above numbered lease was approved on the Director's Minutes of July 14, 1980, at an acreage of 2200.00 acres (as listed in the June, 1980 simultaneous results). The correct acreage for land described in the lease is 2280.00 acres; therefore, upon recommendation of Mr. Blake, the Director approved this acreage correction.

CORRECTION OF DIRECTOR'S MINUTES OF APRIL 14, 1980, - ML 38028

In the above referenced matter, ML 38028 was partially approved at an acreage of 784.70 acres, and \$38.00 refund was authorized on the rejected portion. The application should have been approved for 695.06 acres, and \$127.00 refund should have been authorized on the rejected portion and for overpayment of advance rentals. (The land descriptions, as previously given in the Minutes of April 14th, 1980 are correct.) Upon recommendation of Mr. Blake, the Director approved this acreage correction

PARTIAL CANCELLATION OF ML 27902 - OIL, GAS & HYDROCARBON LEASE

The above numbered lease was approved October 18, 1971, to include T21S, R15E, SLM, Section 28: SE $\frac{1}{4}$ NW $\frac{1}{4}$, Emery County, 40.00 acres, as per the application. This tract is not State land, and, therefore, must be deleted from the lease. The Lessee, Southland Royalty Company, 1600 First National Building, Ft. Worth, TX 76102, to be refunded \$40.00 paid in advance rentals for the current year; therefore, upon recommendation of Mr. Blake, the Director approved this deletion.

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PARTIAL CANCELLATION OF ML 31259 - OIL, GAS AND HYDROCARBON LEASE

On November 25, 1974, the above numbered lease was approved as follows:

T26S, R21E, SLM Grand County
Section 16: $W\frac{1}{2}NE\frac{1}{4}$, $NW\frac{1}{4}$, $S\frac{1}{2}SW\frac{1}{4}$, $NE\frac{1}{4}SW\frac{1}{4}$ 360.00 acres

The $SE\frac{1}{4}SW\frac{1}{4}$ of lands described above are not State land and, therefore this tract must be deleted from the lease and the Lessee, Dale E. Armstrong, 920 Kearns Building, Salt Lake City, UT 84101. The advance rentals of \$40.00 for the current year on the cancelled portion to be refunded to the applicant. Upon recommendation of Mr. Blake, the Director approved this deletion.

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MINERAL LEASE ASSIGNMENTS

TOTAL ASSIGNMENTS - OIL, GAS AND HYDROCARBON LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of the Oil, Gas and Hydrocarbon leases listed below to Tenneco Oil Company, P.O. Box 3249, Englewood, CO 80155 by Western Gold'n Gas Company, who reserves 1.25% overriding royalty and 5% previously reserved overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Western Gold'n Gas Company

ML 23534....T18S, R22E, Sec 16: All, 640.00 Grand

Upon recommendation of Mr. Prince, the Director aproved the assignment of the Tenneco Oil Company, P.O. Box 3249, Englewood, CO 80155 by Dale E. Armstrong, who reserves 2 $\frac{1}{2}$ % overriding royalty and subject to 5% previously reserved overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Dale E. Armstrong

ML 31259....T26S, R21E, Sec 16: $W\frac{1}{2}NE\frac{1}{4}$, $NW\frac{1}{4}$, $S\frac{1}{2}SW\frac{1}{4}$, $NE\frac{1}{4}SW\frac{1}{4}$, 360.00 Grand

Upon recommendation of Mr. Prince, the Director approved the assignment of the Oil, Gas and Hydrocarbon lease listed below to

J. N. Inc. -- 25%,.....Greenwood Resources, Ltd, -- 25%
P.O. Box 2850 325 Inverness Way So.
Cody, Wyo. 82414 Englewood, CO 80112

Macquest Resources, Inc. -- 25%.....Croesus Resources, Inc -- 25%
Suite 750, 999 - 8th S.W., P.O. Box 6107
Calgary Alberta Canada Salt Lake City, UT 84106
by Beartooth Oil & Gas Co. No override.

LEASE OWNERSHIP: Beartooth Oil & Gas Co.

ML 38660....T13S, R22E, Sec 36: All, 640.00 Uintah

Upon recommendation of Mr. Prince, the Director approved the assignment of the Oil, Gas and Hydrocarbon leases listed below to Coors Energy Company, P.O. Box 467, Golden, CO 80401 by Adolph Coors Company. No override.

LEASE OWNERSHIP: Adolph Coors Company.

ML 38404....T13S, R5E, Sec 18: $NW\frac{1}{4}NE\frac{1}{4}$, $NE\frac{1}{4}NW\frac{1}{4}$, Sec 19: $NW\frac{1}{4}NE\frac{1}{4}$, $NE\frac{1}{4}NW\frac{1}{4}$,
Sec 29: $S\frac{1}{2}$, $S\frac{1}{2}NE\frac{1}{4}$, $SE\frac{1}{4}NW\frac{1}{4}$; Sec 30: $E\frac{1}{2}E\frac{1}{2}$, 760.00 Sanpete

ML 38405....T14S, R5E, Sec 7: $NE\frac{1}{4}SE\frac{1}{4}$, Sec 8: $S\frac{1}{2}$,
Sec 17: $N\frac{1}{2}$, $N\frac{1}{2}S\frac{1}{2}$, Sec 20: $E\frac{1}{2}$, $E\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}NW\frac{1}{4}$, $SW\frac{1}{4}$, 1,440.00 Sanpete

ML 38819....T6S, R24E, Sec 3: Lot 3, $SE\frac{1}{4}NW\frac{1}{4}$, Sec 10: $NW\frac{1}{4}NW\frac{1}{4}$, 87.05 Uintah

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INTEREST ASSIGNMENT - METALLIFEROUS MINERALS LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of all formation from the surface to the Earth to a depth equal to 100 feet below the stratigraphic equivalent of a point found at a depth of 4200 feet on the Texas Pacific - State #1 well in SE $\frac{1}{4}$, Sec 36, T16S, R25E, SLM in the Oil, Gas and Hydrocarbon leases listed below to Texas Oil & Gas Corp., Fidelity Union Tower, Dallas, TX 75201 by Texas Pacific Oil Company, Inc., who reserves 4% overriding royalty. The State assumes no responsibility in collecting overriding royalty.

LEASE OWNERSHIP: Texas Pacific Oil Company, Inc.--subject to assignment to Sun Oil Company (Delaware)

ML 4668 & 4668-A.....T16S, R25E, Sec 36: S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, 480.00 Grand

Upon recommendation of Mr. Prince, the Director approved the assignment of operating rights from the surface to the depth of sea level in the Oil, Gas and Hydrocarbon lease listed below to Tully Corporation, 500 Dahlia Street, Denver, CO 80220 by John H. Schoettler. No override, but subject to 5% previously reserved overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Tully Corporation; John H. Schoettler: Operating rights from the surface to the depth of sea level.

ML 36548....T3S, R22E, Sec 32: N $\frac{1}{2}$ N $\frac{1}{2}$, 160.00 Uintah

Upon recommendation of Mr. Prince, the Director approved the assignment of 80% interest in the Oil, Gas and Hydrocarbon leases listed below to

Strata Energy, Inc. -- 51%.....	Sonat Exploration Co. -- 29%
Capitol National Bank Plaza	P.O. Box 1513
Suite 2900	Houston, TX 77001
333 Clay Street	
Houston TX 77002	

by William C. Kirkwood. No override.

LEASE OWNERSHIP: William C. Kirkwood

ML 38535....T14S, R1E, Sec 25: SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, 80.00	Juab
ML 38536....T15S, R1E, Sec 27: SE $\frac{1}{4}$ SW $\frac{1}{4}$, Sec 29: NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$	
Sec 32: A11; Sec 33: Lot 3, 975.87	Juab

Upon recommendation of Mr. Prince, the Director approved the assignment of 1/3 interest in the Oil, Gas and Hydrocarbon leases listed below to

The Superior Oil Company - 1/3	Pennzoil Company - 1/3
800 Lincoln Tower Bldg	P.O. Box 1139
Denver, CO 80295	Denver, CO 80201

by Marathon Oil Company. No override.

LEASE OWNERSHIP: Marathon Oil Company

ML 38355....T14S, R1E, Sec 13: N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, 200.00	Juab
ML 38356....T14S, R1E, Sec 15: SE $\frac{1}{4}$ NE $\frac{1}{4}$, Sec 23: SE $\frac{1}{4}$ NW $\frac{1}{4}$, 80.00	Juab
ML 38357....T14S, R1E, Sec 33: SW $\frac{1}{4}$ SW $\frac{1}{4}$, 40.00	Juab
ML 38426....T35S, R3W, Sec 2: W $\frac{1}{2}$ SW $\frac{1}{4}$, Sec 11: N $\frac{1}{2}$, 400.00	Gafield

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INTEREST ASSIGNMENT - METALLIFEROUS MINERALS LEASE

Upon recommendation of Mr. Prince, the Director approved the assignment of 30% interest in the Metalliferous Minerals lease listed below to Leo G. Bateman, 1146 East 2700 South, Salt Lake City, UT 84106 by Clark R. Powell. No override.

LEASE OWNERSHIP: Clark R. Powell

ML 35558....T32S, R10E, Sec 2: All, 641.12

Garfield

SUBLEASE - METALLIFEROUS MINERALS LEASE

Upon recommendation of Mr. Prince, the Director approved the sublease for five years from January 19, 1981 of the Metalliferous minerals lease listed below to O.C. Coquette, Ernest T. Anderson and Keith Peterson, Moab, UT 84532 by Tom Redd.

LEASE OWNERSHIP: Tom Redd

.....ML 34603

TOTAL ASSIGNMENT - POTASH LEASE

Upon recommendation of Mr. Prince, the Director approved the assignment of the Potash lease listed below to Cameo Minerals Inc., 346 East Second South #E, Salt Lake City, Utah 84111 by Aries Uranium Inc. No override, but subject to $\frac{1}{2}$ of 1% previously reserved overriding royalty. The State assumes no responsibility in collecting overriding royalty.

LEASE OWNERSHIP: Aries Uranium, Inc.

ML 33046....T26S, R20E, Sec 16: All, 640.00

Grand

CORRECTION OF DIRECTOR'S MINUTES - FEBRUARY 9, 1981

The Director on February 9, 1981, approved the assignment of overriding royalties to Harp Limited Partnership. The assignments were approved as being ML 29258, and ML 29259. The assignments being approved should have been for ML 29528, and ML 29529.

Upon recommendation of Mr. Prince, the Director approved this correction.

DIVISION ORDER FOR TENNECO OIL COMPANY WELL DIETLER STATE 2-14
ML 27489

Tenneco Oil Company has submitted a division order, No. 93893(A), to cover their production from their well number Dietler State 2-14 in S $\frac{1}{2}$ of Section 2, T17S, R24E, SLM., ML 27489. This division order correctly sets out the interest of the State of Utah. Upon recommendation of Mr. Prince, the Director approved this Division Order.

REQUEST FOR EXTENSION OF DRILLING REQUIREMENT UNDER GEOTHERMAL STEAM LEASE
ML 33318

Phillips Petroleum Company as lessee under the geothermal steam lease listed above, has requested a five-year extension in which to commence drilling operations under this geothermal steam lease. This lease was issued July 19, 1976, for a term of ten years. Section 10 of this lease provides as follows:

10. Development of Leasehold Estate: Lessee agrees to commence drilling operations on a well at an appropriate location within the leasehold estate within five (5) years from the date hereof, and to prosecute the drilling with reasonable

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diligence until products are discovered in sufficient commercial potential, or to a depth below which further drilling would be unprofitable in the written opinion of the Lessee issued to the Lessor. Such five (5) year period may be extended by the Lessor for a period not to exceed five (5) years upon written application by Lessee showing good cause therefore not more than ninety (90) days nor less than thirty (30) days prior to expiration of the initial five (5) year period. At any time within said five (5) year period, Lessee may surrender its rights under this lease and agreement. Lessee also shall have the right to drill such well or wells on the leasehold estate at such location or locations deemed desirable by Lessee upon thirty (30) days notice in writing, which location or locations shall not unreasonably interfere with rights of holders of lease or leases and special use permits from the State of Utah. No well shall be drilled within 100 feet of the boundary line of the leasehold nor within 100 feet of any building on the surface of the leasehold without written permission of the Lessor.

It is the Staff's feeling that Phillips Petroleum Company has been diligent in conducting geothermal exploration on this lease listed above along with other lands held by that company; therefore, upon recommendation of Mr. Prince, the Director approved a five-year extension of the drilling requirements of this lease.

The Limestone lease listed below has been relinquished by the lessees. Upon recommendation of Mr. Prince, the Director approved the termination of this lease and offering the lands for lease by simultaneous bid.

ML 34179 Atlas Corporation T26S, R20E, S1M.
 Section 25: Lot 2
 Section 36: Lots 2,3 89.66 acres Grand County

The Metalliferous Minerals leases listed below have been relinquished by the lessees. Upon recommendation of Mr. Prince, the Director approved the termination of these leases and offering the lands for lease by simultaneous bid.

ML 36899	Phillips Uranium Corp. Section 16: All	640.00 acres	<u>T31S, R16W, SLM.</u> Beaver
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ML 38251	Energy Reserves Group	Section 32: All	640.00 acres	T12S, R22E, SLM. Uintah
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Teton Energy Company, operator of the Haley Siding Unit, has filed this unit for approval by the State of Utah. The Haley Siding Unit is located approximately one mile north of the town of Wattis in Carbon County. This unit contains 18,159.80 acres of which 10,272.69 acres or 56.57 percent are Federal lands, 5,394.60 acres or 29.71 percent are State lands, and 2,492.51 acres or 13.72 percent are Patented lands. The unit agreement provides that the operator will, within six months after the effective date of the unit, commence the drilling of a well of a depth sufficient to test the upper 340 feet of the Dakota Sandstone, but not to exceed 5,100 feet.

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REQUEST FOR APPROVAL OF THE HALEY SIDING UNIT CONTINUED

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This unit is on the standard unit agreement form and contains all of the necessary State Land provisions. The following are the State of Utah leases in this unit.

ML 27506-A	Chorney Oil Company
ML 27507-A	Cities Service Company
ML 27508-A	Cities Service Company
ML 27555	Cities Service Company
ML 27750-A	Cities Service Company
ML 27751	Cities Service Company
ML 27893	Cities Service Company
ML 32183	Raymond Chorney
ML 37215	SonJa V. McCormick

Cities Service Company has committed their leases to the unit. The other lessees have not yet indicated whether or not they will join the unit.

Upon recommendation of Mr. Bonner, the Director approved this Unit

REQUEST FOR APPROVAL OF THE OIL CANYON UNIT

Del-Rio Drilling Programs, Inc., operator of the Oil Canyon Unit, has filed this unit for approval by the State of Utah. The Oil Canyon Unit is located on the south flank of the Uinta Basin in Uintah County. This unit contains 24,456.67 acres of which 21,256.76 acres or 86.92 percent are Federal lands, and 3,199.91 acres or 13.08 percent are State lands. The unit agreement provides that the operator will, within six months after the effective date of the unit, commence the drilling of a well of a depth sufficient to test the upper 1,000 feet of the Mesaverde Formation, but not to exceed 5,500 feet. This unit is on the standard unit agreement form and contains all of the necessary State Land provisions.

The following are the State of Utah leases in this unit.

ML 21718	Exxon Corporation - 62.5%
	Natural Gas Corporation of California - 37.5%
ML 21719	Natural Gas Corporation of California - 37.5%
	Mono Power Company - 37.5%
	Chorney Oil Company - 25%
ML 21720	Natural Gas Corporation of California - 37.5%
	Mono Power Company - 37.5%
	Chorney Oil Company - 25%
ML 21721	Exxon Corporation - 62.5%
	Natural Gas Corporation of California - 37.5%
ML 22324	Exxon Corporation - 62.5%
	Natural Gas Corporation of California - 37.5%

All of these leases have been committed to the unit.

Upon recommendation of Mr. Bonner, the Director approved this Unit.

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SURFACE BUSINESS MATTERS

RIGHT OF WAY APPLICATIONS APPROVED

RIGHT OF ENTRY NO. 2136

MMW

Mountain Geophysical, c/o Darrold E. Hahraus, Box 100, Heber City, Utah 84032 has submitted an application for a seismic survey for a portable helicopter at one mile @ \$100 00 across the following described State land in Summit County:

T2N, R10E, SLB&M
Section 35: SE $\frac{1}{4}$

Summit County

The initial payment is \$100.00, plus a \$20.00 application fee, for a total of \$120.00. School fund. The expiration date is August 1, 1981. Upon recommendation of Mr. Wall, the Director approved this Right of Entry.

RIGHT OF WAY APPLICATION NO. #2137

MMW

Utah Power & Light Co., 1407 North West Temple, Salt Lake City, Utah 84110, has submitted an application for a power line right of way 2702 feet (163.757 rods) long and ten (10') feet wide @ 11.00/rod plus a guy wire 1260 feet south and 925 feet east from northwest corner Section 3, Township 15 South, Range 10 East, Salt Lake Meridian, in lot 4 across the following described State land in Carbon County.

T15S, R10E, SLB&M
Section 3, N $\frac{1}{2}$

Carbon County

The initial payment is \$1,801.33, plus a \$20.00 application fee, for a total of \$1,821.33 and a \$10.00 fee every third year beginning January 1, 1984. School fund. Upon recommendation of Mr. Wall, the Director approved this Right of Way.

RIGHT OF ENTRY NO. 2127 PSW

Seis-Port Exploration, Incorporated, C/O John Bjornson, Box 820, Moab, Utah 84532 has submitted an application for a seismic survey (shothole) across the following described State land in San Juan County:

Township 28 South, Range 26 East, SLB&M
Section 32

There will be four shotholes for a charge of \$80.00 plus a \$20.00 application fee for a total charge of \$100.00. School Fund. Expiration date of July 31, 1981. Upon recommendation of Mr. Wilcox, the Director approved this Right of Entry.

REQUEST FOR EXTENSION OF TIME

RIGHT OF ENTRY NO 1873 PSW

On January 14, 1980, this temporary right of entry was approved and issued to Tiger Oil Company; however, the work was not completed and the well location has been assigned to Texas International Petroleum Corporation. Jim F. McCormick, agent for Texas International Petroleum Corporation, Mid States Division 2200 N.W. 50th Street, Suite 200, Oklahoma City, Oklahoma 73112, has requested that the expiration date on this right of entry be extended to May 31, 1982. A charge of \$150.00 plus a \$20.00 application fee to reinstate the right of entry has been paid. School Fund. Upon recommendation of Mr. Wilcox, the Director approved the extension of the Right of Entry.

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GP 21744
Art Evans, 142 West 300 North, Parowan, Utah 84761

Township 39 South, Range 7 East, SLB&M
Section 32: All

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